

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

IN RE:

Hulett Corporation

Debtor (s)

)
)
)
)
)
)
)

Bankruptcy No. 05 B 63640

Chapter 11

Judge Jack B. Schmetterer

To: See Attached List

## NOTICE OF MOTION

**PLEASE TAKE NOTICE** that on **September 23, 2008**, at the hour of 10:30 A.M., or as soon thereafter as counsel may be heard, I shall appear before the honorable Jack B. Schmetterer in Courtroom 682 of the United States Bankruptcy Court, 219 S. Dearborn St., Chicago, Illinois, or any other judge sitting in his place and stead, and shall then and there present the attached **Motion for Entry of Final Decree**, a copy of which is hereby served upon you. You may appear if you so choose.

David P. Lloyd  
Grochocinski, Grochocinski and Lloyd, Ltd.  
1900 Ravinia Place  
Orland Park IL 60462  
(708) 226-2700  
Fax: (708) 226-9030

## CERTIFICATE OF SERVICE

I, David P. Lloyd, an attorney, certify that I caused a copy of the foregoing Notice and Motion to be served on the parties listed on the attached service list by electronic notice where indicated, or first class mail by depositing with the United States Postal Service, Orland Park, Illinois, postage prepaid, prior to 5:00 P.M., this 3rd day of September, 2008.

/s/ David P. Lloyd

David P. Lloyd

**Notice List**  
**Hulett Corporation**  
**05 B 63640**

U.S. Trustee  
USTPRegion11.ES.ECF@usdoj.gov

Gregory J. Stull  
Internal Revenue Service  
200 W. Adams St.  
Suite 2300  
Chicago IL 60606

Great Lakes Equipment  
c/o Wolfe Wolfe & Ryd LLP  
20 N. Wacker Dr.  
Suite 3550  
Chicago IL 60606

Midwest Operating Engineers Welfare Fund  
c/o Jennifer L. Dunitz-Geitinger  
200 W. Adams St.  
Suite 2200  
Chicago IL 60606-5231

Roland Machinery Company  
c/o Michael T. Nigro  
Nigro & Westfall, P.C.  
1793 Bloomingdale Rd.  
Glendale Heights IL 60139

Laborers' Pension & Welfare Funds  
c/o Karen I. Engelhardt  
230 W. Monroe St.  
Suite 2600  
Chicago IL 60606

United States Pipe & Foundry Company  
c/o Stein & Rotman  
105 W. Madison St., Suite 600  
Chicago IL 60602

LaFarge Joliet, Inc.  
c/o Krockey, Cernugel, Cowgill, Clark &  
Pyles, Ltd.

3100 Theodore St., Suite 101  
Joliet IL 60435

Wells Fargo Equipment Finance, Inc.  
c/o Adam B. Rome  
Levenfeld Pearlstein, LLC  
Two N. LaSalle St.  
Suite 1300  
Chicago IL 60602

All creditors on the attached Schedules D, E,  
and F

**David S Adduce**  
dadduce@komdr.com

**Vikram R Barad**  
vbarad@maxwellandpotts.com

**Marc J. Chalfen**  
mchalfen@komdr.com

**Timothy A. Clark**  
timclark@kcccp.com  
timclark@kcccp.com

**Arnold H. Landis**  
arnoldlandis1@ameritech.net

**Ian K. Linnabary**  
ikl@renozahm.com

**James R. Mata**  
firm@nigrowestfall.com  
jmata@nigrowestfall.com

**Andrew J Maxwell**  
maxwelllawchicago@yahoo.com

**Timothy J. McGonegle**  
tmcgonegle@schainlaw.com

**Christopher H Purcell**  
shermlaw13@aol.com

**Adam B. Rome**  
arome@lplegal.com

First Midwest Bank  
One Pierce Place  
Suite 1500W  
Itasca, IL 60143-1254

Standard Bank and Trust Company  
7800 West 95<sup>th</sup> Street  
Hickory Hills, IL 60457

AAA Supply Corporation  
608 Route 41  
Schererville, IN 46375

ADT Security Systems  
P. O. Box 371967  
Pittsburgh, PA 15250-7967

Tom Albright  
1371 E. 16<sup>th</sup> Road  
Streator, IL 61364

James Andretich  
16900 Blue Hebron Drive  
Orland Park, IL 60767

Aquamist Sprinklers  
14526 Chicago Road  
Dolton, IL 60419

Arrow Security  
18154 Harwood  
Homewood, IL 60430

ASC Industries  
1406 W. 175<sup>th</sup> Street East  
Hazel Crest, IL 60429

Bethhausen & Sons  
P. O. Box 703  
Frankfort, IL 60423

Black Dirt, Inc.  
163<sup>rd</sup> & Route 45  
Orland Park, IL 60462

Karen Butler  
16400 South 88<sup>th</sup> Avenue  
Orland Park, IL 60462

C & M Pipe  
19800 Stony Island Avenue  
Lynwood, IL 60411

Carefree Lawn Maintenance, Inc.  
17751 Gougar Road  
Lockport, IL 60441

Catching Fluidpowder, Inc.  
Dept 77-3643  
Chicago, IL 60678-3643

Chase  
P. O. Box 15153  
Wilmington, DE 19850-5298

Checks Unlimited  
P. O. Box 18500  
Colorado Springs, CO 80935-8500

Chief Construction  
713 Central Avenue  
New Lenox, IL 60451

CNA Deductible Recovery Group  
NW 7905 P. O. Box 1450  
Minneapolis, MN 55485

CNH Capital  
Dept CH 10460  
Palatine, IL 60055-0460

Com Ed- Unit A  
Bill Payment Center  
Chicago, IL 60668-0001

Com Ed Claims  
Dept 8 S Michigan Avenue  
Suite 618  
Chicago, IL 60603

Combined Plumbing  
8800 West 164<sup>th</sup> Street  
Orland Park, IL 60462

Completre Industrial Services Co.  
1120 Bellview Avenue  
Joliet, IL 60436

Construction & General Laborer's  
999 McClintock Drive  
Suite 300  
Burr Ridge, IL 60527

Contech Construction Products  
P. O. Box 92578  
Chicago, IL 60675

Contract Systems  
208 North Washington Street  
Naperville, IL 60540-4514

Cooper Oil  
8200 West 185<sup>th</sup> Street  
Tinley Park, IL 60477

Country Club Hills  
4200 West 183<sup>rd</sup> Street  
Country Club Hills, IL 60478

De Bruyn, Taylor and DeBruyn, Ltd.  
15252 South Harlem Avenue  
Orland Park, IL 60462

De Groate Petroleum Service, Inc.  
441 DeGroate Road  
New Lenox, IL 60451

Deluxe Business Checks  
P. O. Box 742572  
Cincinnati, OH 45274-2572

Di Cicco Concrete Products  
128 East 14<sup>th</sup> Street  
P. O. Box 728  
Chicago Heights, IL 60411

Dicrectional Construction Services  
420 South Western Avenue  
Barlett, IL 60103

Directional Solutions  
11816 Coquille Drive  
Frankfort, IL 60423

Don Powers Insurance Agency  
911 Ridge Road  
Munster, IN 46321

Emil's Tires  
5601 Sauk Trail  
Matteson, IL 60443

Empire Tire  
16201 Wolf Road  
Orland Park, IL 60467

Family Bank & Trust  
10360 S. Roberts Road  
Palos Hills, IL 60465

Fed Ex  
P. O. Box 94515  
Palatine, IL 60094-4515

Fifth Third Bank Auto Leasing  
P. O. Box 630041  
Cincinnati, OH 45263-0041

First Insurance Funding  
450 Skokie Boulevard  
Suite 1000  
Northbrook, IL 60062

First Midwest Bank  
Payment Processing  
P. O. Box 9003  
Gurnee, IL 60031

Ford Credit/DT 11  
P. O. Box 1106  
Westmont, IL 60559-8306

Ford Credit/ST 27  
3010 Highland Parkway  
Suite 200  
Downers Grove, IL 60515

Fox Valley Chlorinating  
24 W. 134 Street-Charles Road  
Carol Stream, IL 60188

Gallagher Material  
18100 South Indiana Avenue  
Thorton, IL 60476

Gas City  
100 West Oakley Avenue  
Lowell, IN 46356

Goodwin Pumps  
P. O. Box 191  
Bridgeport, NJ 08014

Grease Lightning  
192 and Wolf Road  
Mokena, IL 60448

Great Lakes Equipment  
P. O. Box 1331  
Elmhurst, IL 60126-8331

Nelson Griffiths  
17218 Lorenz  
Lansing, IL 60438

Groen Waste  
13701 South Kostner  
Crestwood, IL 60445

Hardings  
P. O. Box 187  
Lowell, IN 46356

Hartford Insurance  
P. O. Box 2907  
Hartford, CT 06104-2907

Hearne & Associates, P. C  
19250 Everett Lane  
Suite 200  
Mokena, IL 60448

Humana  
55 Schuman Road  
P. O. Box 3100  
Naperville, IL 60566

IDES  
Chicago Region  
P. O. Box 19468  
Springfield, IL 62794-9468

Illinois Central Sweeping Service  
2739 West 39<sup>th</sup> Street  
Blue Island, IL 60406

Illinois Department of Revenue  
P. O. Box 19468  
Springfield, IL 62794-9468

Illinois Portable Truck Inspection  
17610 Westbrook Drive  
Orland Park, IL 60467

Illinois State Toll Highway  
2700 Ogden Avenue  
Downers Grove, IL 60515

Interstate Batteries  
8500 West 191<sup>st</sup> Street  
Suite 9  
Mokena, IL 60448

Irvin Tractor  
11601 South Ridgeland  
Alsip, IL 60803

J & J Newell Concrete  
18 Forestdale Park  
Calumet City, IL 60409

Jean's Spectic, Inc.  
26603 South Governors Highway  
Suite 1  
Monee, IL 60449

Jo Mar Telegrouting  
1914 Heather Lane  
Joliet, IL 60431

John Deere/HL 36  
P. O. Box 4450  
Carol Stream, IL 60197-4450

Joliet Sand & Gravel  
1250 Larkin Avenue  
Joliet, IL 60123

K Brothers Fence  
17101 South Wolf Road  
Orland Park, IL 60467

Komatsu/BH19  
1333 Butterfield Road  
Suite 600  
Downers Grove, IL 60515

L J Keefe Company  
704 West Central Road  
Mount Prospect, IL 60056-2339

Laborers Pension & Welfare Funds  
11465 Cermak Road  
Westchester, IL 60154

Lee Jensen Sales Co., Inc.  
7316 Teckler Boulevard  
Crystal Lake, IL 60014-7994

Lexmor Engineering  
9405 Bormet Drive  
Suite One  
Mokena, IL 60448

Lincoln Paving  
1340 West 171<sup>st</sup> Street  
Hazel Crest, IL 60429

Linda Gas  
P. O. Box 802807  
Chicago, IL 60680-2807

Lowell Concrete Products, Inc.  
9312 West 181<sup>st</sup> Avenue  
P. O. Box 247  
Lowell, IN 46356

M & J Water Service Products  
14525 Keating Avenue  
Midlothian, IL 60445

M & M Auto Glass  
4047 West 147<sup>th</sup> Street  
Midlothian, IL 60445

M. E. Simpson Company  
3406 Enterprise Avenue  
Valparaiso, IN 46383-6953

Manning Electrical Systems  
110 North Williams Street  
Thorton, IL 60476

Marathon Material, Inc.  
25523 West Schultz Street  
Plainfield, IL 60585

Mark Yunker  
24400 Scher Road  
Frankfort, IL 60423

Marlin Leasing  
P. O. Box 13604  
Philadelphia, PA 19104-3605

Martin Implement  
18405 115<sup>th</sup> Avenue  
Orland Park, IL 60467-9489

Martin Leasing  
18405 115<sup>th</sup> Avenue  
Orland Park, IL 60467-9489

Jane E. Mayer  
10535 Great Egret Drive  
Orland Park, IL 604677

Charles Mayer  
11351 West 167<sup>th</sup> Street  
Orland Park, IL 60467

Doug Mayer  
215 North Aberdeen Street  
Suite 503B  
Chicago, IL 60607

McLeod USA  
P. O. Box 3243  
Milwaukee, WI 53201-3242

Meade Electrical Company  
9550 West 55<sup>th</sup> Street  
McCook, IL 60525

Metropolitan Industries, Inc.  
37 Forestwood Drive  
Romeoville, IL 60446

Mid American Water  
1500 E. Mountain Avenue  
Aurora, IL 60505

Midnight Tire & Service, Inc.  
5601 Sauk Trail  
Matteson, IL 60443

Midway Truck Parts  
7400 West 87<sup>th</sup> Street  
Bridgeview, IL 60445

Midwest Chlorinating & Testing  
420 South Western Avenue  
Bartlett, IL 60103

Midwest Operating Engineers  
6150 Joliet Road  
Countryside, IL 60525

Midwest Surveying Instruments, Inc.  
6113 South Cass Avenue  
Westmont, IL 60559

Mokena Auto  
19200 South Wolf Road  
Mokena, IL 60448

Monee Rentals & Sales, Inc.  
25912 South Governors Highway  
Monee, IL 60449

Murray Overhead Doors  
510 Manor Drive  
Peotone, IL 60468

Napco  
1800 Arthur Drive  
West Chicago, IL 60185

National City  
P. O. Box 5570  
Cleveland, OH 44101-0570

National Waterworks  
18900 South 82<sup>nd</sup> Avenue  
Mokena, IL 60448

Nebs  
500 Main Street  
Groton, MA 01471

Nee-Corp  
17522 Scott Road  
Hinckley, IL 60520

Neenah Foundry Company  
P. O. Box 729  
Neenah, WI 54956-0729

Nes Traffic Safety  
12225 Disk Drive  
Romeoville, IL 60446

New Holland Credit/BH 22  
P. O. Box 1083  
Evansville, IN 47706-1083

Next Day Toner  
11411 West 183<sup>rd</sup> Street  
Suite H  
Orland Park, IL 60467

Nextel  
P. O. Box 4191  
Carol Stream, IL 60197-4191

Nicor Gas Suite A  
P. O. Box 2020  
Aurora, IL 60507-2020

Northern Tool & Equipment Company  
2800 Southcross Drive  
P. O. Box 1219  
Burnsville, MN 55337-0219

Osco, Inc.  
P. O. Box 70  
Lemont, IL 60439-0070

Ozinga  
18825 Old LaGrange Road  
Mokena, IL 60448

Pacific Life & Annuity  
Trustee of the Multi Protection Trust  
UT File 53527  
Los Angeles, CA 90074-3527

Sheila Paravich  
16400 West 88<sup>th</sup> Avenue  
Orland Park, IL 60462

Patten Equipment Rental  
16822 West Laraway Road  
Joliet, IL 60433

Phillips Electric, Inc.  
110 North Williams  
Thornton, IL 60476

Pipe-Eye Televising, Inc.  
701 Thorndale  
Bensenville, IL 60106

Posen Oil  
14200 Division Street  
P. O. Box 9  
Posen, IL 60469

Precision Truck Equipment  
1945 177<sup>th</sup> Street  
Lansing, IL 60438

Quality Quickprint  
2405 Canton Farm Road  
Crest Hill, IL 60435

Don Reed  
3002 Windhill Lane  
Dyer, IL 46311

Regional Truck Equipment Co., Inc.  
4626 West 120<sup>th</sup> Street  
Alsip, IL 60803

Reliable Office Supplies  
8001 135 South LaSalle Street  
Chicago, IL 60674-8001

Robinson Engineering, Ltd.  
17000 South Park Avenue  
P. O. Box 386  
South Holland, IL 60473-0386

Roland Machinery  
NW 7899, P. O. Box 1450  
Minneapolis, MN 55485-7899

Rose Cartrage Service, Inc.  
17775 North Clyde Avenue  
Lansing, IL 60438

Sanatex Corporation  
2321 North Wolcott Avenue  
Chicago, IL 60614-2994

Satellite Shelters  
2530 Xenium Lane North  
Minneapolis, MN 55441-3695

SBC 2<sup>nd</sup>  
SBC 60663 SBC Drive  
Chicago, IL 60663-0001

Schubert & Son Concrete, Inc.  
1976 Sheffield Lane  
Wheaton, IL 60187

Naomi Schuster  
7480 West College Drive  
Suite 101  
Palos Heights, IL 60463

Secretary of State  
Dept. of Business Services  
501 2<sup>nd</sup> Street  
Springfield, IL 62756

Shell Oil Co.  
P. O. Box 183018  
Columbus, OH 43218-3018

Silver Cross Hospital  
1200 Maple Road  
Joliet, IL 60432

South Oak Ford Mercury, Inc.  
1135 South Water Street  
Wilmington, IL 60481

Southwest Suburban  
Home Builders Association  
10767 West 163<sup>rd</sup> Place  
Orland Park, IL 60467

Standard Bank  
7800 West 95<sup>th</sup> Street  
Hickory Hills, IL 60457

Sterling Lumber Company  
3415 Wet 127<sup>th</sup> Street  
Blue Island, IL 60406

Sunbelt Rentals  
P. O. Box 409211  
Atlanta, GA 30384-9211

Swanson & Brown, Ltd.  
12600 South Harlem Avenue  
Palos Heights, IL 60463

The Blue Book  
P. O. Box 500  
Jefferson Valley, NY 10535

The Mike Madrid Company  
P. O. Box 2477  
West Lafayette, IN 47996

TJR Enterprises, LLC  
12004 South Central Avenue  
Alsip, IL 60803

Town & Country Landscape Supply  
P. O. Box 2150-W  
Bedford Park, IL 60499-2150

True Value  
17280 South Cicero Avenue  
Country Club Hills, IL 60478

Underground Contractors Association  
500 Park Boulevard  
Suite 154 C  
Itasca, IL 60143

United State Treasury  
Cincinnati, OH 67294-9468

Universal Pipe & Supply  
2145 Moen Avenue  
P. O. Box 2404  
Joliet, IL 60434

US Pipe & Foundry  
98056 Collection Center Drive  
Chicago, IL 60693-8056

Valley Run Stone  
10425 Joliet Road  
Newark, IL 60541

Van Bruggen Signs  
13401 Southwest Highway  
Orland Park, IL 60466

Vans Material  
10175 Vans Drive  
Frankfort, IL 60423

Village of Orland Park  
14700 Ravinia Avenue  
Orland Park, IL 60462

Welch Bros Belvedere, Inc.  
1000 Town Hall Road  
Belvedere, IL 61008

Wells Fargo/BH 20  
NW-8178, P. O. Box 1450  
Minneapolis, MN 55485-8178

West Side Tractors Sales  
Dept #4570, P. O. Box 87618  
Chicago, IL 60680-0618

Will Supply Corp  
8133 West 189<sup>th</sup> Street  
Mokena, IL 60448

Wilson Rentals  
2125 West 183<sup>rd</sup> Street  
Homewood, IL 60430

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

|                    |   |                           |
|--------------------|---|---------------------------|
| IN RE:             | ) |                           |
|                    | ) |                           |
| Hulett Corporation | ) | Bankruptcy No. 05 B 63640 |
|                    | ) | Chapter 11                |
|                    | ) |                           |
| Debtor (s)         | ) | Judge Jack B. Schmetterer |
|                    | ) |                           |
|                    | ) |                           |

**TRUSTEE'S MOTION FOR ENTRY OF FINAL DECREE**

NOW COMES the Trustee, Thomas B. Sullivan, by and through his attorneys, Grochocinski, Grochocinski and Lloyd, Ltd., and moves this honorable Court for entry of a final decree closing this Chapter 11 case after the substantial consummation of the confirmed Plan, and in support thereof states as follows:

1. The Debtor commenced this case by filing a voluntary Chapter 11 petition on November 28, 2005.
2. On June 2, 2006, the Court entered an order confirming the Debtor's Plan of Reorganization and appointing Thomas B. Sullivan as the Trustee of the Creditor's Trust and Disbursing Agent.
3. Under the confirmed plan, the Debtor was to pay administrative expenses and, upon payment of such expenses, the Trustee would succeed to all assets of the estate and complete the liquidation thereof. Until payment of administrative expenses, the Debtor would remain in possession of its assets.
4. On September 19, 2006, the Trustee obtained authority of the Court to take possession of all the Debtor's assets, notwithstanding the fact that the Debtor had not paid administrative expenses

as provided by the confirmed Plan. The Trustee proceeded to liquidate the remaining personal property of the Debtor.

5. A detailed accounting of all sums received and disbursed by the Trustee to date is reflected below. In brief, the Trustee has received approximately \$213,270, and has disbursed approximately \$97,830, with the result that the Trustee is holding approximately \$115,440 in funds of the estate.

6. All known assets of the Debtor have been liquidated, and the Trustee does not expect to receive any other funds, except for a minimal amount of interest on his accounts.

7. Two creditors have lien claims secured by the assets of the Debtor, including the tangible personal property sold by the Trustee and the accounts receivable collected, and being pursued, by the Trustee.

(a) Roland Machinery Co. has a claim determined by the Court to be \$80,854.52 plus \$16,341.00 in legal fees.

(b) The Internal Revenue Service filed a claim in excess of one million dollars, secured to the extent of \$293,433.13.

6. Roland Machinery Co. and the Internal Revenue Service have both claimed priority for their liens in the proceeds of the machinery, equipment, and accounts receivable. The Trustee commenced an adversary proceeding, under Adv. No. 07 A 00917, requesting that the Court resolve the issue of lien priority. On June 10, 2008, the Court entered a summary judgment in favor of the Internal Revenue Service, and on August 25, 2008, the Court signed an order denying Roland Machinery Company's motion to amend.

7. It is important to note that there will be no distribution of any kind to general unsecured creditors or unsecured priority creditors. The entirety of the assets liquidated by the Trustee,



consisting of machinery, equipment, and accounts receivable, were subject to the liens of Roland Machinery Co. and the Internal Revenue Service. The total recovered by the Trustee, approximately \$211,000 excluding interest on the estate's financial accounts, is far exceeded by the secured claims of Roland and the IRS, which exceed \$380,000.

8. The Trustee has filed a motion for payment of fees and costs to himself as Trustee, and to his attorneys, accountants, and auctioneer. The fees and expenses sought by the Trustee and his professionals are entitled to be paid from the proceeds of the liquidation of assets under Section 506(c) of the Bankruptcy Code. Any payment of fees and costs will come only from the amounts to be distributed to the secured creditors, Roland Machinery Co. and the Internal Revenue Service, and have no effect on unsecured creditors. The claims of Roland Machinery Co. and the Internal Revenue Service exceed the funds available, so there will be no distribution to general unsecured creditors or unsecured priority creditors.

9. Upon determination and payment of the Trustee's fees and expenses, and the fees and expenses of his professionals, the Chapter 11 plan will be substantially completed. The only remaining function for the Trustee will be to pay the secured claims pursuant to Court order.

10. On March 29, 2007, the Court awarded to Schain, Burney, Ross & Citron, Ltd., attorneys for the Debtor, fees in the amount of \$89,908.00, plus reimbursement of expenses in the amount of \$2,238.80. The Court ordered that the Trustee disburse \$74,165.20 of that total at that time, which the Trustee paid on April 10, 2007. The Trustee does not intend to make any further payment on the administrative claim of Schain, Burney, Ross & Citron, Ltd.

11. There may be other administrative claims, or pre-petition priority claims, that have been filed, or that are unknown to the Trustee. In view of the payment of the entire balance of the funds on hand to secured creditors, the Trustee does not intend to make any payment to administrative

priority claimants or pre-petition unsecured priority claimants.

12. After payment of the secured claims referred to herein, there will be no funds available for payment to general unsecured creditors. Therefore, general unsecured creditors will not receive any payment under the confirmed plan.

13. An analysis of the sources of recovery, previous disbursements by the Trustee, and proposed payments by the Trustee, is as follows:

**14. Analysis of Sources of Recovery by Trustee**

A. Sale of Personal Property: On September 1, 2006, the Trustee obtained the approval of the Court to employ Donald Dodge and American Auction Associates to secure, appraise, and sell the tangible personal property of the Debtor. On September 19, 2006, the Trustee obtained an order from the Court authorizing him to sell vehicles, tools, machinery, equipment, and all other items of tangible personal property in the possession of the Debtor. The Trustee considered an auction of the personal property but ultimately accepted an offer from Distinctive Homes Orland Park Business Center, Inc., the lessor of the Debtor's business location. The Court approved a sale of the personal property on March 27, 2007, and the Trustee received the purchase price of \$125,000.00 from Distinctive Homes Orland Park Business Center, Inc., on March 29, 2007.

B. McNaughton Development, LLC: Counsel for the Debtor filed an adversary proceeding, No. 06 A 01196, on July 11, 2006, against McNaughton Development, LLC, alleging a contract claim in the amount of \$42,820.26. On September 14, 2006, the Court approved an order dismissing the adversary proceeding based on the defendant's agreement to pay the amount in full. On September 22, 2006, the Trustee received \$42,820.26 from McNaughton Development, LLC.

C. Grubb Farm Development, LLC: Counsel for the Debtor filed an adversary proceeding, No. 06 A 01194, on July 11, 2006, against Grubb Farm Development, LLC, alleging a contract claim in the amount of \$175,548.01. Grubb Farm raised a number of defenses, including breach of contract, and the parties entered into settlement discussions. On February 22, 2007, the Court approved a settlement in the amount of \$35,000.00. On February 27, 2007, the Trustee received \$35,000.00 from Grubb Farm Development, LLC.

D. Distinctive Homes, Ltd.: Counsel for the Trustee filed an adversary proceeding, No. 06 A 01707, on November 16, 2006, against Distinctive Homes, Ltd., alleging a contract claim in the amount of \$25,383.07. Distinctive Homes raised a number of defenses, including breach of contract, and the parties entered into settlement discussions. On February 14, 2008, the Court approved a settlement in the amount of \$8,500.00. On April 16, 2008, the Trustee received \$8,500.00 from Distinctive Homes, Ltd.

E. Interest: As of the date of this Motion, the Trustee has received approximately \$\_\_\_\_\_ in interest on the funds in his accounts with JP Morgan Chase Bank, N.A.

#### **15. Analysis of Expenditures by Trustee**

A. Attorneys for Debtor: On March 29, 2007, the Court awarded \$89,908.00 in fees and \$2,238.80 in reimbursement of expenses to Schain, Burney, Ross & Citron, Ltd., attorneys for the Debtor. In its order, the Court directed the Trustee to pay \$74,165.20 of this award, and reserved further payment until further order of Court. On April 10, 2007, the Trustee disbursed \$74,165.20 to Schain, Burney, Ross & Citron, Ltd.

B. Accountants for Debtor: On November 7, 2006, the Court awarded \$16,702.50 in fees to Hearne & Associates, accountants for the Debtor. On November 20, 2006, the Trustee disbursed \$16,702.50 to Hearne & Associates.

C. Insurance expense: On November 20, 2006, the Court authorized the Trustee to pay \$4,244.00 for the initial insurance premium on the tangible personal property in the Trustee's possession. On November 20, 2006, the Trustee paid \$4,244.00 to Heil & Heil. After the sale of the personal property in March of 2007, the Trustee applied for a refund, and received a refund of \$845.00 from Heil & Heil on July 10, 2007. The net paid to Heil & Heil totaled \$3,399.00.

D. United States Trustee: The Trustee has disbursed \$2,400.00 in quarterly fees to the United States Trustee through the second quarter of 2008. The Trustee expects to make a final payment to the United States Trustee for the third quarter of 2008 upon entry of the final decree in this case.

E. Miscellaneous administrative expenses: The Trustee has disbursed \$2,400.00 in miscellaneous expenses, including title fees, filing fees, search fees, bond payment, and overnight delivery charges.

#### **16. Accounting of Receipts and Disbursements by Trustee**

A. The Trustee has received the following amounts:

|                           |                     |
|---------------------------|---------------------|
| Sale of Personal Property | \$125,000.00        |
| McNaughton Development    | 42,820.26           |
| Grubb Farm Development    | 35,000.00           |
| Distinctive Homes         | 8,500.00            |
| Interest                  | 2,086.43            |
| <b>TOTAL</b>              | <b>\$213,406.69</b> |

B. The Trustee has disbursed the following amounts:

|                                       |                     |
|---------------------------------------|---------------------|
| Attorneys for Debtor                  | \$ 74,165.20        |
| Accountants for Debtor                | 16,702.50           |
| Insurance premium (net)               | 3,399.00            |
| U.S. Trustee fees                     | 2,400.00            |
| Miscellaneous administrative expenses | 1,296.07            |
| <b>TOTAL</b>                          | <b>\$ 97,962.77</b> |

Amount on hand for distribution \$115,433.92

### **17. Proposed Distributions to Administrative Claimants**

The Trustee has filed a motion for payment of fees and costs on behalf of himself as trustee and on behalf of his attorneys, Grochocinski, Grochocinski & Lloyd, Ltd.; his accountants, Alan D. Lasko & Associates, P.C.; and his auctioneer, American Auction Associates. The amounts sought in each fee petition are set out in detail in that motion, and are reflected below. To the extent any fee petition is denied or reduced, there will be more funds to distribute to secured creditors. In addition, the Trustee intends to disburse \$975.00 for the quarterly fee due to the United States Trustee for the third quarter of 2008. The disbursements to administrative claimants prior to payment of secured claims is as follows:

|                                      |                 |
|--------------------------------------|-----------------|
| Trustee's fees                       | \$ 13,920.33    |
| Attorneys for Trustee                | 25,482.50       |
| Accountants for Trustee              | 6,991.60        |
| Auctioneer for Trustee               | 700.00          |
| United States Trustee quarterly fees | 975.00          |
| <br>TOTAL                            | <br>\$48,069.43 |

### **18. Distributions to Secured Creditors**

A. After payment of the distributions to administrative claimants above, the Trustee will have an estimated balance available to secured creditors of \$67,364.49 (this amount may increase by a very small amount for accrued interest, and may also increase if the Court denies or reduces any of the Trustee's fee petitions).

B. There are two lienholders who claim priority on the funds being held by the Trustee. The United States Internal Revenue Service and Roland Machinery Company both filed notices with the Illinois Secretary of State, properly perfecting their liens in substantially all of the assets of the Debtor. All the recoveries by the Trustee, with the possible exception of interest on his

accounts, are subject to the liens of the Internal Revenue Service and Roland Machinery Company. The Internal Revenue Service claim asserts a lien in the amount of \$293,433.13; \$65,112.73 pursuant to a notice filed February 14, 2005, and \$228,320.40 pursuant to a subsequently-filed notice of. Roland Machinery Company also filed a notice of lien on February 14, 2005, and the Court has determined the Roland Machinery Company claim to be \$97,195.52, including \$16,341.00 in legal fees. Together, these liens far exceed the amount the Trustee has recovered in this case. These two secured creditors disputed their relative priority to the funds recovered by the Trustee, because the two creditors filed their lien notices on the same day, and at the same minute. According to the filing records of the Illinois Secretary of State, the liens were filed simultaneously.

C. On September 24, 2007, the Trustee filed an adversary proceeding, No. 07 A 00917, requesting that the Court determine the relative priority of the two liens. On June 10, 2008, the Court entered summary judgment in favor of the Internal Revenue Service, determining that its February 14, 2005, lien is entitled to priority over the Roland Machinery Company lien filed the same date. On August 25, 2008, the Court signed an order denying a motion to amend/reconsider that ruling. At the time of the filing of this Motion, the Trustee has not received notice of any further action regarding the liens, including any further motion in the adversary proceeding or any appeal. The Trustee expects that an order will be entered in that adversary determining the exact dollar amount of the Internal Revenue Service claim that is entitled to priority, and will make a distribution accordingly.

19. It is the Trustee's position that, even if the disposition of the lien dispute between the Internal Revenue Service and Roland Machinery Company is not final at the time of the hearing on the present Motion, the Court should still find that the Plan has been substantially completed

by the final award and payment of administrative expenses. There will be no distribution to administrative, priority, or general unsecured claimants after payment of the lien claims, whichever lien claimant is ultimately determined to be entitled to priority.

WHEREFORE Thomas B. Sullivan, Trustee, prays that this Court enter a Final Decree closing this Chapter 11 case.

Respectfully submitted,  
Thomas B. Sullivan, Trustee

by: /s/ David P. Lloyd  
One of his attorneys

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